

---

**SENATE COMMITTEE ON ENERGY, UTILITIES AND  
COMMUNICATIONS**

**Senator Steven Bradford, Chair**

**2023 - 2024 Regular**

---

<b>Bill No:</b>	AB 2661	<b>Hearing Date:</b>	7/2/2024
<b>Author:</b>	Soria		
<b>Version:</b>	5/16/2024 Amended		
<b>Urgency:</b>	No	<b>Fiscal:</b>	No
<b>Consultant:</b>	Nidia Bautista		

**SUBJECT:** Electricity: Westlands Water District

**DIGEST:** This bill authorizes the Westlands Water District (Westlands) to own electric generation, storage, and transmission facilities within the district and sell the output to public or investor-owned utilities (IOUs) for sale to retail customers.

**ANALYSIS:**

Existing law:

- 1) Establishes and vests the California Public Utilities Commission (CPUC) with regulatory authority over public utilities, including electric IOUs and transmission owners providing intrastate transmission services. (Article XII of the California Constitution)
- 2) Authorizes the CPUC to supervise and regulate every public utility, including electrical corporations, and to do all things that are necessary and convenient in the exercise of that power and jurisdiction. (Public Utilities Code §201 *et seq.* and §701)
- 3) Requires retail sellers and publicly owned utilities (POUs) to increase purchases of renewable energy such that at least 60 percent of retail sales are procured from eligible renewable energy resources by December 31, 2030. This is known as the Renewables Portfolio Standard (RPS). (Public Utilities Code §399.11 *et seq.*)
- 4) Establishes it is the policy of the state that eligible renewable energy resources and zero-carbon resources supply 100 percent of all retail sales of electricity to California end-use customers by December 31, 2045. (Public Utilities Code §454.53)
- 5) Provides, as part of the California Water District Law, for the establishment of water districts and authorizes a district to construct, maintain, and operate plants

for the generation of hydroelectric energy and transmission lines for the conveyance of the hydroelectric energy. (Water Code §35770)

- 6) Merged the former West Plains Water Storage District into the Westlands, and provides for the operation of the Westlands. (Water Code §37820)

This bill:

- 1) Authorizes the Westlands to provide, generate, and deliver solar photovoltaic (PV) or hydroelectric electricity and to construct, operate, and maintain works, facilities, improvements, and property necessary or convenient for generating and delivering that electricity.
- 2) Requires the Westlands to use the electricity for the Westland's own purposes and authorizes Westlands to sell surplus electricity to a public or private entity engaged in the distribution or sale of electricity.
- 3) Authorizes the Westlands to construct, operate, and maintain energy storage systems and electric transmission lines, and to construct, operate, and maintain works, facilities, improvements, and property necessary or convenient for the operation of the energy storage system and electric transmission lines, within the boundaries of the district, as specified.
- 4) Requires the Westlands to report the amount of income, and the purposes for expenditure of that income, from these electricity facilities in a specified report.
- 5) Makes legislative findings and declarations as to the necessity of a special statute for Westlands.

### **Background**

*Westlands Water District.* The Westlands is the largest agricultural water district in the United States, by irrigable acres, consisting of more than 1,000 square miles of land in Fresno and Kings Counties which provides water primarily to farms and rural communities on the west side of Fresno and Kings for more than seven decades. The Westlands has federal contracts to provide water to 700 family-owned farms that average 875 acres in size and produce \$1 billion worth of agricultural crops. The Westlands Board of Directors are comprised of nine members each of whom is a district landowner or designated or legal representative of a landowner. Board elections are held every two years, and Directors are elected to four-year terms of office. Each landowner in the District is allowed one vote for each dollar's worth of land to which he/she holds title.

*Agriculture lands becoming fallowed.* Water is delivered to Westlands from the Central Valley Project (CVP) which pumps water from Northern California. Before Westlands began receiving CVP water, farmers on the west side of the San Joaquin Valley relied on groundwater pumping. This dependence led to severe overdrafts, widespread land subsidence and other environmental damage. Westlands' water supply has decreased since a drought that began in 1986. Drought conditions as well as environmental regulations have led the U.S. Bureau of Reclamation, who operates the CVP, to reduce the amount of water it delivers to Westlands. Currently, Westlands expects to receive only about 50 percent of its contractual water supply in an average water year.

According to Westlands, "over the last ten years inadequate and unpredictable water supplies have forced in any given year more than 100,000-200,000 acres – approximately 36 percent of Westlands' farmland – out of production. Further, available annual water supplies are declining under the implementation of the Sustainable Groundwater Management Act, resulting in more land being retired from irrigated agriculture."

*Special districts who can generate electricity.* State law allows nine kinds of special districts to generate or provide electricity:

- California water districts;
- County water districts;
- Municipal water districts;
- Community services districts;
- Public utility districts;
- Irrigation districts;
- Resort improvement districts;
- Municipal utility districts; and
- Water conservation districts.

California water districts are limited to hydroelectric generation that comes from using the hydraulic force of the water to generate electricity. County water districts and municipal water districts can generate power using any fuel source. However, they are limited to generating power for their own purposes as a water agency and can't sell retail electricity, but they can sell surplus electricity to other utilities that distribute or sell electricity.

*Integrated Resource Planning (IRP) framework.* The CPUC developed the IRP process pursuant to SB 350 (De León, Chapter 547, Statutes of 2015). IRP provides the umbrella process by which the CPUC oversees long-term procurement for its regulated load-serving entities (E.g., electrical corporations, community choice

aggregators, and electric service providers), which serve approximately 75 percent of the state. This process ensures that California's electric sector meets its greenhouse gas (GHGs) reduction goals while maintaining reliability at the lowest possible costs. The IRP runs on a two-year cycle, and forecasts system need 10 years into the future. In February 2024, the CPUC adopted a decision in its integrated resource planning that meets a statewide 25 million metric ton (MMT) GHG target for the electric sector by 2035 (CPUC Decision 24-02-047 of Rulemaking 20-05-003). The decision represents the most aggressive *end of the range identified by California Air Resources Board (CARB), and has identified 56,000 megawatts of clean new resources are needed by 2035*. The CPUC also recommended to the California Independent System Operator that the resource portfolio achieving the 25 MMT GHG goal be the foundation for planning transmission investments – utilized as both the reliability base case and the policy-driven base case for study in its 2024-2025 Transmission Planning Process. This GHG target will further expand on the need for additional energy resources, especially renewable energy, to help the state meet its climate and clean energy goals.

### Comments

*Need for this bill.* The author notes: “To combat the impacts of climate change, California has set ambitious goals to increase the use of clean energy. California’s Public Utilities Commission estimates that the state will need over 40,000 megawatts of new renewable energy to meet these goals. The Central Valley is in a unique position to help meet this need through the construction of new solar generation facilities and the transmission lines needed to deliver it to the grid. Unfortunately, Major high voltage transmission can take nearly a decade from approval to operation. AB 2661 aims to accelerate solar power and transmission development in the Central Valley, tapping into tens of thousands of megawatts of renewable energy, to help meet our state’s clean energy goals.”

*Authorizes Westlands and energy.* This bill would authorize Westlands to generate electricity, build transmission and energy storage, and enter the wholesale power business. Specifically, the bill authorizes Westlands to generate solar PV electricity and specifies that electricity must be for its own use, but then provides discharged energy from energy storage and any surplus electricity generated from solar PV can be sold to other utilities. Westlands wants this authority to start planning a transition for some land within its boundaries away from farming crops to farming solar. As farmland goes out of production, it can have various negative effects on local communities, including a loss of jobs, poor air quality, and other environmental harms. Converting farmland to land with solar PV facilities and leased transmission has the potential to ameliorate some of these negative effects by

creating an opportunity for revenue generation for the owners of the land. AB 2661 potentially makes deploying additional solar PV facilities easier by allowing Westlands to construct them, along with the transmission lines needed to deliver energy.

*Dual referral:* This bill passed out of the Senate Committee on Local Government by a vote of 7-0 on June 11, 2024.

**Prior/Related Legislation**

SB 1755 (Soto, Chapter 848, Statutes of 2002) authorized municipal water districts and county water districts to own and operate electric power plants whether hydroelectric or otherwise; states power generated from these plants may be used for the district's own purposes; and authorizes surplus power may be sold to any public or private entity that sells electricity.

**FISCAL EFFECT:** Appropriation: No Fiscal Com.: No Local: No

**SUPPORT:**

California State Association of Electrical Workers, Co-sponsor  
Coalition of California Utility Employees, Co-Sponsor  
Agricultural Council of California  
Agricultural Energy Consumers Association  
Almond Alliance  
California Avocado Commission  
California Association of Local Agency Formation Commissions  
California Citrus Mutual  
California Cotton Ginners & Growers Association  
California Manufacturers & Technology Association  
California Walnut Commission  
Central Valley Business Federation  
Cities of: Avenal, Coalinga, Hanford, and San Joaquin  
Dairy Institute of California  
Golden State Clean Energy, LLC  
Harris Farms, Inc.  
Kings River Conservation District  
Kings River Water Association  
Regenerate California Innovation, Inc.  
Santa Clara Valley Water District  
Self-Help Enterprises  
Western Agricultural Processors Association

Western Growers Association  
Westlands Water District

**OPPOSITION:**

None received

**ARGUMENTS IN SUPPORT:** Westlands Water District states:

AB 2661 is critical for the planning and development of up to 30,000 megawatts of renewable energy in the San Joaquin Valley by aiding in the deployment of transmission lines and by allowing state water districts to own and operate energy storage, generation, and transmission facilities. This would empower districts like Westlands to use this clean electricity for our water operational needs, thus reducing the cost of water to end customers. AB 2661 would also grant state water districts the authority to sell any excess electricity to other public or private entities that deal in electricity distribution or sales. Importantly, AB 2661 does not allow a water district to serve end-use retail customers other than the district's own uses. We urge the passage of AB 2661 because it offers farmers a viable solution for repurposing SGMA-impacted and non-irrigable lands while helping the state meet its clean energy goals, sustaining jobs, and bringing new investment to the San Joaquin Valley. AB 2661 will tap into the significant potential of the San Joaquin Valley for solar, energy storage, and transmission while giving a second life to lands that are no longer irrigated due to inadequate water supply.

-- END --

# AB 2661

Overview

Bill Summary

Tweets

Similar Bills

Sponsors

News

Votes

Actions

Bill Texts

Documents

Sources



# AB 2661

California Assembly Bill

Did you know we offer free bill tracking in Congress and 50 states, and a great mobile app?

[Sign up here](#)

Electricity: Westlands Water District.

[f Share](#) [🐦 Tweet](#) [@ E-mail](#)

[📄 Copy to clipboard](#) [</> Embed](#)

**Last Action** [See all actions](#)

legislature • Sep 25, 2024: Chaptered by Secretary of State - Chapter 573, Statutes of 2024.

**Latest Bill Text** [See all bill texts](#)

[🔗 09/25/24 - Chaptered](#)

# AB 2661

## Overview

## Official Summary/Bill Text

## Bill Summary

The California Water District Law provides for the establishment of water districts and authorizes a district to construct, maintain, and operate plants for the generation of hydroelectric energy and transmission lines for the conveyance of the hydroelectric energy. Existing law merged the former West Plains Water Storage District into the Westlands Water District, and provides for the operation of the Westlands Water District.

## Tweets

## Similar Bills

## Sponsors

This bill would authorize the Westlands Water District to provide, generate, and deliver solar photovoltaic electricity and to construct, operate, and maintain works, facilities, improvements, and property necessary or convenient for generating and delivering that electricity. The bill would require the district to use the electricity for the district's own purposes and the bill would authorize the district to sell surplus

## News

## Votes

## Actions

## Bill Texts

## Documents

## Sponsors

## Sources



**Esmeralda Soria**

author  
(D - 27)

## AB 2661 in the news

SJV WATER: Westlands Water District teams up with democrats on massive solar project - Maven's Notebook  
[Maven's Notebook](#) • Oct 12, 2024

More Than a Dozen Proposed New CA Water Laws Race to Capitol Finish Line - GV Wire





# AB 2661

## Inside Look at Fresno County Westside Solar Plan to Power 9 Million Homes - GV Wire

Overview

GV Wire • Jul 01, 2024

Bill Summary

More News

Tweets

Votes

Similar Bills



Apr 17, 2024, Assembly

Do pass and be re-referred to the Committee on [Natural Resources]

Sponsors

News

YES: 16 NO: 0 OTHER: 0

Votes



Apr 22, 2024, Assembly

Do pass as amended and be re-referred to the Committee on [Appropriations]

Actions

YES: 11 NO: 0 OTHER: 0

Bill Texts

Documents



May 16, 2024, Assembly

Do pass as amended.

Sources

YES: 11 NO: 0 OTHER: 4



May 23, 2024, Assembly

AB 2661 Soria Assembly Third Reading

YES: 73 NO: 0 OTHER: 7



Jun 11, 2024, Senate

Do pass, but first be re-referred to the Committee on [Energy, Utilities and Communications]

YES: 7 NO: 0 OTHER: 0

# AB 2661

- Overview
- Bill Summary

## Tweets

## Similar Bills

## Sponsors

## News

## Votes

## Actions

## Bill Texts

## Documents

## Sources



Jul 02, 2024, Senate

Do pass

YES: 18 NO: 0 OTHER: 0



Aug 30, 2024, Senate

3rd Reading AB2661 Soria By Hurtado

YES: 40 NO: 0 OTHER: 0



Sep 01, 2024, Assembly

AB 2661 Soria Concurrence in Senate Amendments

YES: 76 NO: 0 OTHER: 3

## Actions

### ○ Sep 25, 2024 | legislature

- Approved by the Governor.
- Chaptered by Secretary of State - Chapter 573, Statutes of 2024.

### ○ Sep 13, 2024 | legislature

- Enrolled and presented to the Governor at 4 p.m.

### ○ Aug 31, 2024 | Assembly

- In Assembly. Concurrence in Senate amendments pending.
- Senate amendments concurred in. To Engrossing and Enrolling. (Ayes 76. Noes 0.).

### ○ Aug 30, 2024 | Senate

- Read third time. Passed. Ordered to the Assembly. (Ayes 38. Noes 0.).

### ○ Aug 26, 2024 | Senate

- Read second time. Ordered to third reading.

# AB 2661

Overview

Bill Summary

Tweets

Similar Bills

Sponsors

News

Votes

Actions

Bill Texts

Documents

Sources

○ **Aug 23, 2024 | Senate**

- Read third time and amended. Ordered to second reading.

○ **Jul 03, 2024 | Senate**

- Read second time. Ordered to third reading.

○ **Jul 02, 2024 | Senate**

- From committee: Do pass. (Ayes 18. Noes 0.) (July 2).

○ **Jun 11, 2024 | Senate**

- From committee: Do pass and re-refer to Com. on E., U. & C. (Ayes 7. Noes 0.) (June 11). Re-referred to Com. on E., U. & C.

○ **Jun 05, 2024 | Senate**

- Referred to Coms. on L. GOV. and E., U. & C.

○ **May 24, 2024 | Senate**

- In Senate. Read first time. To Com. on RLS. for assignment.

○ **May 23, 2024 | Assembly**

- Read third time. Passed. Ordered to the Senate. (Ayes 73. Noes 0. Page 5606.)

○ **May 20, 2024 | Assembly**

- Read second time. Ordered to third reading.

○ **May 16, 2024 | Assembly**

- Assembly Rule 63 suspended.  
- From committee: Amend, and do pass as amended. (Ayes 11. Noes 0.) (May 16).  
- Read second time and amended. Ordered returned to second reading.

# AB 2661

## Overview

## Bill Summary

## Tweets

## Similar Bills

## Sponsors

## News

## Votes

## Actions

## Bill Texts

## Documents

## Sources

### ○ **May 08, 2024 | Assembly**

- In committee: Set, first hearing. Referred to APPR. suspense file.

### ○ **Apr 25, 2024 | Assembly**

- Re-referred to Com. on APPR.

### ○ **Apr 24, 2024 | Assembly**

- Read second time and amended.

### ○ **Apr 23, 2024 | Assembly**

- From committee: Amend, and do pass as amended and re-refer to Com. on APPR. (Ayes 11. Noes 0.) (April 22).

### ○ **Apr 18, 2024 | Assembly**

- From committee: Do pass and re-refer to Com. on NAT. RES. (Ayes 16. Noes 0.) (April 17). Re-referred to Com. on NAT. RES.

### ○ **Apr 15, 2024 | Assembly**

- Assembly Rule 56 suspended. (Page 4775.)
- (Pending re-refer to Com. on NAT. RES.)

### ○ **Apr 01, 2024 | Assembly**

- Re-referred to Com. on U. & E.

### ○ **Mar 28, 2024 | Assembly**

- In committee: Set, first hearing. Hearing canceled at the request of author.

### ○ **Mar 21, 2024 | Assembly**

- Referred to Coms. on U. & E. and NAT. RES.
- From committee chair, with author's amendments: Amend, and re-refer to Com. on U. & E. Read second time and amended.

# AB 2661

Overview

Bill Summary

Tweets

Similar Bills

Sponsors

News

Votes

Actions

Bill Texts

Documents

Sources

## ○ Feb 15, 2024 | Assembly

- From printer. May be heard in committee March 16.

## ○ Feb 14, 2024 | Assembly

- Read first time. To print.

### Bill Texts

[↪ AB2661](#) [HTML](#)

[↪ 02/14/24 - Introduced](#) [PDF](#)

[↪ 03/21/24 - Amended Assembly](#) [PDF](#)

[↪ 04/24/24 - Amended Assembly](#) [PDF](#)

[↪ 05/16/24 - Amended Assembly](#) [PDF](#)

[↪ 08/23/24 - Amended Senate](#) [PDF](#)

[↪ 09/05/24 - Enrolled](#) [PDF](#)

[↪ 09/25/24 - Chaptered](#) [PDF](#)

### Documents

[↪ 04/16/24- Assembly Committee On Utilities And Energy](#) [PDF](#)

[↪ 04/19/24- Assembly Natural Resources](#) [PDF](#)

[↪ 05/06/24- Assembly Appropriations](#) [PDF](#)

[↪ 05/20/24- Assembly Floor Analysis](#) [PDF](#)

[↪ 06/07/24- Senate Local Government](#) [PDF](#)

[↪ 06/28/24- Senate Energy, Utilities And Communications](#) [PDF](#)

[↪ 07/31/24- Senate Floor Analyses](#) [PDF](#)

[↪ 08/26/24- Senate Floor Analyses](#) [PDF](#)

# AB 2661

**Overview**

**Sources**

**Bill Summary**

[http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202320240AB2661](http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB2661)

**Tweets**

**Similar Bills**

**Sponsors**

**News**

**Votes**

**Actions**

**Bill Texts**

**Documents**

**Sources**

Date of Hearing: April 17, 2024

ASSEMBLY COMMITTEE ON UTILITIES AND ENERGY  
Cottie Petrie-Norris, Chair  
AB 2661 (Soria) – As Amended March 21, 2024

**SUBJECT:** Electricity: transmission facility planning: water districts

**SUMMARY:** Requires the California Public Utilities Commission (CPUC) to evaluate the potential for 10,000 to 30,000 MW of solar generation in the Central Valley beyond the amount of solar electrical generation described in the most recently adopted preferred system plan. If that solar generation is determined to be cost-effective, the CPUC is required to provide transmission-focused guidance to California Independent System Operator (CAISO) for transmission upgrades needed to accommodate this new solar capacity. Additionally, this bill would provide California water districts the authority to own electric generation, storage and transmission facilities within their district and sell the output to public or investor-owned utilities for sale to retail customers.

Specifically, **this bill:**

- 1) Requires the CPUC to evaluate the potential for 10,000 to 30,000 MW of solar generation in the Central Valley beyond the amount of solar electrical generation described in the most recently adopted preferred system plan as of January 1, 2025. If that solar generation is determined to be cost-effective, the CPUC is required to provide transmission-focused guidance no later than March 31, 2025 to the CAISO that includes the new generation of expected future resource portfolio so that the CAISO evaluates the transmission needs that accommodates the new capacity into the CAISO system.
- 2) Authorizes a water district to generate, and deliver hydro-electric energy and to construct, operate, and maintain works, facilities, improvements, and property necessary or convenient for generating and delivering that electricity.
- 3) Requires a water district to use the hydro-electric energy for the district's own purposes, and also authorizes a district to sell surplus energy to a public or private entity engaged in the distribution or sale of electricity.
- 4) Authorizes a water district to construct, operate, and maintain energy storage systems and transmission lines within the boundaries of the water district as specified.
- 5) Does not authorize a water district to sell, or deliver electricity at retail.

**EXISTING LAW:**

- 1) Authorizes the CPUC to supervise and regulate every public utility, including electrical corporations, and to do all things that are necessary and convenient in the exercise of that power and jurisdiction. (Public Utilities Code §201 et seq., and § 701)
- 2) Requires retail sellers and publicly owned utilities to increase purchases of renewable energy such that at least 60% of retail sales are procured from eligible renewable energy

resources by December 31, 2030. This is known as the Renewables Portfolio Standard (RPS). (Public Utilities Code § 399.11 et seq.)

- 3) Establishes it is the policy of the state that eligible renewable energy resources and zero-carbon resources supply 100% of all retail sales of electricity to California end-use customers and 100% of electricity procured to serve all state agencies by December 31, 2045. (Public Utilities Code § 454.53)
- 4) Requires the CPUC to adopt a process for each Load Serving Entity (LSE) serving end-use customers in the state, to file an IRP and schedule periodic updates to the plan to ensure that it meets, among other things, the state's targets for reducing emissions of greenhouse gases and the requirement to procure at least 60% of its electricity from eligible renewable energy resources by December 31, 2030. (Public Utilities Code § 454.52)
- 5) Requires that the IRP of each LSE contribute to a diverse and balanced portfolio of resources needed to ensure a reliable electricity supply that provides optimal integration of renewable energy resources in a cost-effective manner, meets the emissions reduction targets for greenhouse gas emissions established by the California Air Resources Board (CARB) for the electricity sector, and prevents cost shifting among LSEs. (Public Utilities Code § 454.54)
- 6) Establishes the California Independent System Operator (CAISO) as a nonprofit public benefit corporation and requires the CAISO to ensure efficient use and reliable operation of the electrical transmission grid consistent with achieving planning and operating reserve criteria. (Public Utilities Code § 345.5)
- 7) Requires the California Energy Commission (CEC) to adopt a strategic plan for the state's electric transmission grid, which recommends actions required to implement investments needed to ensure reliability, relieve congestion, and meet future growth in load and generation. (Public Resources Code § 25324)
- 8) Establishes that the Federal Energy Regulatory Commission (FERC)<sup>1</sup> has exclusive jurisdiction over the transmission of electric energy in interstate commerce. Also establishes the process and procedures for establishing transmission of electric energy in interstate commerce by public utilities, i.e., the rates, terms, and conditions of interstate electric transmission by public utilities. (Federal Power Act §§ 201, 205, 206 (16 USC 824, 824d, 824(e)))
- 9) Establishes water districts and authorizes a district to construct, maintain, and operate plants for the generation of hydroelectric energy and transmission lines for the conveyance of the hydroelectric energy (Water Code § 31149.1)

**FISCAL EFFECT:** Unknown. This bill is keyed fiscal and will be referred to the Committee on Appropriations for its review.

---

<sup>1</sup> Is the United States federal agency that regulates the transmission and wholesale sale of electricity and natural gas in interstate commerce and regulates the transportation of oil by pipeline in interstate commerce.



**BACKGROUND:**

*California's Climate & Energy Goals.* SB 100 (De León, Chapter 312, Statutes of 2018) established the state policy that renewable and zero-carbon resources supply 100% of retail sales and electricity procured to serve all state agencies by 2045.<sup>2</sup> This policy was recently updated under SB 1020 (Laird, Chapter 361, Statutes of 2022) by accelerating the requirement on state agencies to 100% by 2035, and establishing interim targets to meet the sector-wide 100% goal. The updated 2022 Scoping Plan<sup>3</sup> released by the California Air Resources Board (CARB) in December 2022 calls for targets of 38 million metric tons of carbon dioxide equivalent (MMTCO<sub>2e</sub>) in 2030 and 30 MMTCO<sub>2e</sub> in 2035 in the electricity sector.<sup>4</sup> These sector-wide targets establish the planning goal that informs all subsequent electricity procurement and transmission planning.

*Integrated Resource Planning (IRP) framework.* The CPUC developed the integrated resource planning (IRP) process pursuant to SB 350 (De León, Chapter 547, Statutes of 2015). IRP provides the umbrella process by which the CPUC oversees long-term procurement for its regulated load-serving entities (E.g., electrical corporations, community choice aggregators, and electric service providers), which serve approximately 75% of the state.<sup>5</sup> This process ensures that California's electric sector meets its Greenhouse Gas (GHGs) reduction goals while maintaining reliability at the lowest possible costs. During the beginning of the IRP process, the CPUC first develops an estimate for what those LSEs should be procuring (the Reference System Plan), allows these LSEs to file their individual procurement plans, then approves those plans based on their consistency with collective system needs (the Preferred System Plan). The Preferred System Plan that is produced by the IRP process is the basis for a number of additional planning processes, including the SB 100 report, Transmission Planning Process (TPP) by the CAISO and subsequent LSEs' IRP plans. Existing law, within the IRP framework, also allows the CPUC to order the resource procurement, outside of individual LSEs' IRPs, in order to meet decarbonization goals.

The IRP runs on a two-year cycle, and forecasts system need 10 years into the future. In February 2024, the CPUC adopted a decision in its integrated resource planning that meets a statewide 25 million metric ton (MMT) greenhouse gas (GHG) target for the electric sector by 2035.<sup>6</sup> The decision represents the most aggressive *end of the range identified by California Air Resources Board (CARB), and has identified 56,000 megawatts of clean new resources are needed by 2035.* The CPUC also recommended to the California Independent System Operator (CAISO) that the resource portfolio achieving the 25 MMT GHG goal be the foundation for planning transmission investments – utilized as both the reliability base case and the policy-driven base case for study in its 2024-2025 Transmission Planning Process (TPP).

*CAISO 20-year Transmission Outlook.* In January 2022, CAISO in collaboration with the CPUC and the CEC created a 20-Year Transmission Outlook to examine longer-term grid requirements

---

<sup>2</sup> Public Utilities Code § 454.53

<sup>3</sup> In its previous draft plan, CARB set the electric sector targets at 38 million metric tons of carbon dioxide equivalent (MMTCO<sub>2e</sub>) in 2030 and 30 MMTCO<sub>2e</sub> in 2045.

<sup>4</sup> Pg.75, CARB, "DRAFT 2022 Scoping Plan Update," May 10, 2022

<sup>5</sup> Public Utilities Code § 454.51-454.53

<sup>6</sup> Proposed Decision 24-02-047 issued 2/15/2024 in IRP Proceeding, Rulemaking 20-05-003

and options for meeting the State’s clean energy and climate goals reliably and cost-effectively.<sup>7</sup> CAISO identified 37 gigawatts (GW) of battery energy storage, 4 GW of long-duration storage, over 53 GW of utility scale solar, over 2 GW of geothermal, and over 24 GW of wind generation – the latter split between out-of-state and in-state resources.<sup>8</sup> The bulk of the in-state resources consist of offshore wind. Given the lead times needed for these facilities primarily due to right-of-way acquisition and environmental permitting requirements, the CAISO has found that the “longer-term blueprint is essential to chart the transmission planning horizon beyond the conventional 10-year timeframe,”<sup>9</sup> as used in the annual transmission plans. The resulting plan estimated over \$30 billion in cost would be needed to meet our 2045 clean energy goals.<sup>10</sup> CAISO has since indicated an update to its 2022 Outlook is forthcoming.

*Transmission Planning Process (TPP)* – Each year, the CAISO conducts its TPP to identify potential system limitations as well as transmission projects in need of upgrades or new infrastructure in need of construction to improve reliability and efficiency.<sup>11</sup> The TPP fulfills the CAISO’s core responsibility to identify and develop solutions to meet the future needs of the electricity grid. The TPP relies on the CPUC’s integrated resource plan (IRP) process to identify the optimal mix of system-wide resources capable of meeting greenhouse gas planning targets for the electric sector.<sup>12</sup> CAISO receives the IRP results as inputs into its TPP. In addition, the CAISO also receives the California Energy Commission’s (CEC’s) demand forecast of electricity and natural gas sales, consumption, and peak and hourly electricity demand.

The development of the TPP entails an annual public stakeholder process that is conducted pursuant to the CAISO’s FERC-approved tariff. It includes a three-phase process that leads to annual CAISO Board of Governors’ approval of a transmission plan and associated transmission projects. There are three main categories of CAISO approved transmission projects:

- Reliability projects to meet federal standards;
- Policy projects to meet state policy goals
- Economic projects that reduce congestion, production costs, transmission losses, capacity requirements or other electric supply costs.

Following the CAISO Board’s approval of a TPP, new projects that are identified as necessary go through a competitive solicitation process. Transmission developers—which may be public or

---

<sup>7</sup> CAISO 20-Year Transmission Outlook, January 31, 2022; <http://www.aiso.com/InitiativeDocuments/Draft20-YearTransmissionOutlook.pdf>

<sup>8</sup> Pg. 2, California ISO, “20-Year Transmission Outlook”.

<sup>9</sup> Pg. 1, *Ibid*

<sup>10</sup> Pg. 3, *Ibid*

<sup>11</sup> There are other transmission planning efforts, including local capacity requirements, special studies, interregional transmission project, and others that are not mentioned here for sake of clarity.

<sup>12</sup> Via the Reference System Plan (RSP) and Preferred System Plan (PSP). The CPUC creates the Reference System Plan (RSP) to meet the electric sector target informed by the California Air Resources Board Climate Change Scoping Plan. The CPUC uses this RSP to establish filing requirements for the load-serving entities. The second year considers the procurement each load-serving entity proposes to meet these GHG targets. As each load-serving entity has its own local constraints to consider, each files its own plan. The CPUC reviews, modifies, and aggregates these individual load-serving entities’ plans into a preferred system plan (PSP). Based on the approved PSP, the CPUC considers authorizing load-serving entities to procure resources within the next 1-3 years to meet GHG planning targets.

investor-owned utilities or private, for-profit entities—apply for the project solicitation and those applications are evaluated on a number of qualifying criteria, including cost.

*CAISO's 2022-2023 Transmission Plan.* The CAISO's transmission plan released in May 2023, calls for more than 40 GW of new resources identified by the CPUC in the next decade.

Resources identified in the plan include:

- Over 17 GW of solar generation distributed across the state in solar development regions that include the Westlands area in the Central Valley, the Kramer area in San Bernardino County;
- Over 3.5 GW of in-state wind generation in existing wind development regions, including Tehachapi in Southern California;
- Over 1 GW of geothermal development, primarily in California's Imperial Valley and in southern Nevada;
- The import of over 4.5 GW of out-of-state wind generation from Idaho, Wyoming and New Mexico.

This plan determined 45 transmission projects with a total cost of \$7.3 billion, ranging in individual cost from \$4 million to \$2.3 billion. These needed projects were weighed against a large variety of alternatives and found to be needed to meet reliability, policy, and economic requirements.

*CAISO's Draft 2023-2024 Transmission Plan.* The CAISO's draft transmission plan released on April 1, 2024 adds more than 85 GW of new resources by 2035 to reflect GHG reduction goals and load growth from increased electrification occurring in other sectors of the economy, notably in transportation and building industry.<sup>13</sup> Resources identified in the plan include:

- Over 38 GW of solar generation distributed across the state in solar development regions that include the Westlands area in the Central Valley, the Kramer area in San Bernardino County, Riverside County;
- Over 3 GW of in-state wind generation in existing wind development regions, including Tehachapi in Southern California;
- Over 21 GW of geothermal development, primarily in the Imperial Valley and in southern Nevada;
- The import of over 5.6 GW of out-of-state wind generation from Idaho, Wyoming and New Mexico;
- Over 4.7 GW of offshore wind with 3.1 GW in the Central Coast (Morro Bay call area) and 1.6 GW in the North Coast area (Humboldt call area).

The CAISO has found the need for 26 transmission projects, for a total infrastructure investment of an estimated \$6.1 billion. The vast majority of transmission costs stem from preparing Humboldt for offshore wind development. As such, 3 projects in Humboldt will cost close to \$ 4.1 billion.

*The Central Valley.* The Central Valley includes parts of 19 counties, which together are home to more than 35,000 farms and nearly 6 million harvested acres. These counties also include 8 of

---

<sup>13</sup> Pg.2, CAISO, "2023-2024 Draft TPP". April 2024

the top 10 agricultural counties in the state: Fresno, Kern, Tulare, Stanislaus, Merced, San Joaquin, Kings, and Madera. According to the United States Geological Survey (USGS), the Central Valley of California is recognized as a vital and diverse agricultural region by producing over 250 food crops valued at more than \$17 billion annually.<sup>14</sup> The USGS also estimates that the Valley produces 1/4 of the Nation's food, including 40% of the Nation's fruits, nuts, and other table foods.<sup>15</sup> These farming activities demand vast amounts of water. It is estimated that Central Valley occupies 75% of California's irrigated land.<sup>16</sup> Furthermore, much of the water supply used for this irrigation comes from local groundwater resources, and the region accounts for as much as 20% of the entire nation's groundwater demand.<sup>17</sup> In recent years, climate change events such as extreme heat events, sustained droughts and major flooding are threatening the growing agricultural economy.

*Central Valley Solar Resources and Transmission.* As eluded earlier in the background, in January 2022, CAISO in collaboration with the CPUC and the CEC created a 20-Year Transmission Outlook to examine longer-term grid requirements. In Figure 1<sup>18</sup>, the 20-Year Transmission Outlook study envisions over 25 GW of solar development and 14 GW of battery development in the lower Central Valley.

Figure 1: Resource Scenario for Solar and Battery Development in Central Valley

Resource Area	Solar Capacity (2045)	Battery Capacity(2045)
Los Banos	3,391	1,846
Westlands	14,065	7,899
Kern	6,395	3,603
Greater Carrizo	1630	1,050
<b>Total</b>	<b>25,481</b>	<b>14,398</b>

As of 2019, there are over 3GW of solar projects in the region, and roughly half of this capacity was installed in the last five years.<sup>19</sup> Solar development is expected to increase as the state strives to meet its 2045 renewable energy goals, and on the extent of electrification in the rest of the economy. However, a couple of factors including access to transmission lines, interconnection costs, cost of land among other factors will influence where projects are located. Given that transmission capacity in Central Valley is a limiting factor, solar project development has concentrated in areas where transmission already exists. Existing transmission is primarily

<sup>14</sup> USGS, "California's Central Valley – Valley Facts"; <https://ca.water.usgs.gov/projects/central-valley/about-central-valley.html>

<sup>15</sup> Ibid

<sup>16</sup> USGS, "The Central Valley: San Joaquin Basin" <https://ca.water.usgs.gov/projects/central-valley/san-joaquin-basin.html>

<sup>17</sup> Ibid

<sup>18</sup> CAISO 20-Year Transmission Outlook, January 31, 2022; <http://www.caiso.com/InitiativeDocuments/Draft20-YearTransmissionOutlook.pdf>

<sup>19</sup> PPIC Report, "Solar Energy and Groundwater in the San Joaquin Valley." October 2022

located on the western side of the valley and new solar projects and will likely continue to cluster there in the absence of new approaches to planning and significant transmission investments in other parts of the Valley.<sup>20</sup>

*California Water Districts.* They can be created by a petition to the principal county by holders of title to a majority of land that is capable of using water beneficially for irrigation, domestic, industrial, or municipal purposes.<sup>21</sup> A five-member board of directors acts as the governing body for California Water Districts. Each director must be a landowner within the district or a legal representative for a district landholder. After a water district has been established for four years, the board, by resolution, may increase the number of directors to 7, 9 or 11 and may initially appoint individuals to fill these positions.<sup>22</sup> Current law authorizes a water district to construct, maintain, and operate plants for the generation of hydropower energy and transmission lines for the transmission of the hydropower.

*Westland's Water District.* Is largest agricultural water district in the United States,<sup>23</sup> by irrigable acres and provides water primarily to farms and rural communities on the west side of Fresno and Kings for more than seven decades.<sup>24</sup> The Westlands Board of Directors are comprised of nine members each of whom is a District landowner or designated or legal representative of a landowner. Board elections are held every two years, and Directors are elected to four-year terms of office. Each landowner in the District is allowed one vote for each dollar's worth of land to which he/she holds title. Before Westlands began receiving Central Valley Project (CVP)<sup>25</sup> water, farmers on the west side of the San Joaquin Valley relied on groundwater pumping. This dependence led to severe overdrafts, widespread land subsidence and other environmental damage. Drought conditions as well as environmental regulations have led the Bureau of Reclamation to reduce the amount of water it delivers to Westlands.

#### COMMENTS:

- 1) *Author's Statement.* According to the author, "To combat the impacts of climate change, California has set ambitious goals to increase the use of clean energy. California's Public Utilities Commission estimates that the state will need over 40,000 megawatts of new renewable energy to meet these goals. The Central Valley is in a unique position to help - meet this need through the construction of new solar generation facilities and the transmission lines needed to deliver it to the grid. Unfortunately, major high voltage transmission can take nearly a decade from approval to operation. AB 2661 aims to accelerate and prioritize solar and transmission development in the Central Valley,

---

<sup>20</sup> Ibid

<sup>21</sup> YOLO COUNTY, "Water Districts"; <https://www.yolocounty.org/government/board-of-supervisors/advisory-bodies/special-district-directory/water-districts>

<sup>22</sup> Water Code §34700, et seq

<sup>23</sup> Westlands Water District, "Maps" <https://wwd.ca.gov/about-westlands/maps/>

<sup>24</sup> Westlands Water District, "Westlands Westlands Water District" <https://wwd.ca.gov/about-westlands/>

<sup>25</sup> Originating in 1933, the CVP was built in order to provide irrigation and municipal water to the Central Valley regions. Operated by the U.S. Bureau of Reclamation, the project stores water in Northern California reservoirs and transports it to the Central Valley through a series of pumping facilities and canals. The CVP also produces hydroelectric power at some of its facilities, provides flood control and is a recreation destination in some areas. There are eight divisions of the project and ten corresponding units, many of which operate in conjunction, while others are independent of the rest of the network.

tapping into tens of thousands of megawatts of renewable energy, to help meet our state's clean energy goals.”

- 2) *Pressing Challenges in California.* While California has ambitious climate and energy goals, the state may not be on track to meet its GHG reduction goals by the end of the decade unless it can triple its efforts to reduce carbon emissions statewide.<sup>26</sup> The push to decarbonize economies will likely accelerate, and the installed capacity of renewable energy is expected to grow by 2045 to support this energy transition. However, the pace of new clean energy development required to meet California's clean energy goals far outpaces the rate at which transmission projects are planned, permitted, sited, and built.
- 3) *Purpose of the Bill.* This bill seeks to bring more solar generation from the Central Valley into the electric grid, and also create additional authority for California Water Districts to construct and own transmission necessary for energy projects.

Specifically: The bill requires the CPUC to evaluate the potential for 10,000 to 30,000 MW of solar generation in the Central Valley beyond the amount of solar electrical generation described in the most recently adopted preferred system plan as of January 1, 2025. If that solar generation is determined to be cost-effective, the CPUC is required to provide transmission-focused guidance no later than March 31, 2025 to the CAISO that includes the new generation of expected future resource portfolio so that the CAISO evaluates the transmission needs that accommodates the new capacity into the CAISO system.

However, concerns arise on various fronts:

- *Picking Winners in the IRP Process.* The IRP provides the umbrella process by which the CPUC directs long-term procurement for its regulated load-serving entities. During the IRP process, the CPUC strives to be technologically-neutral by looking at a broad mix of technologies to ensure California meets its clean energy and climate goals while maintaining reliability in a cost-effective manner. This bill requires the Legislature to direct the CPUC to carve out a specific resource—in this case only solar—for further evaluation leading to procurement that may undermine IRP determinations. This provision of the bill may not be a befitting precedent as the Legislature could be used as a venue for determining IRP outcomes when there is already an existing process.
- *Implementation delays.* The IRP is a multi-year process. The first half of the IRP cycle begins with the CPUC developing an estimate for what its regulated load-serving entities LSEs (e.g., electrical corporations, community choice aggregators, and electric service providers) should be procuring (the Reference System Plan), to meet GHG, reliability, and cost objectives. For the second half of the IRP cycle, the CPUC allows the LSEs to file their individual procurement plans, then approves those plans based on their consistency with collective system needs (the Preferred System Plan). This plan is the basis for a number of

---

<sup>26</sup> Cal Matters, “California isn’t on track to meet its climate change mandates — and a new analysis says it’s not even close.” March 14, 2024

important additional planning processes such as the subsequent LSEs' IRP plans and Transmission Planning Process (TPP) by the CAISO.

On February 2024, the CPUC adopted a decision in its integrated resource planning that meets a statewide 25 million metric ton (MMT) greenhouse gas (GHG) target for the electric sector, and identifies 56 GW of clean new resources by 2035. The CPUC recommended that CAISO apply this target as the foundation for its 2024-2025 Transmission Planning Process (TPP). Adding new legislative requirements to consider a very specific resource, with specific amounts and location, may delay not only the IRP process that is critical for cost-effectively maintaining the state's electric grid, but also the TPP that serves as the formal road map for transmission infrastructure projects in CAISO's territory.

- *What is Currently Happening?* According to the CPUC, the current IRP identifies over 6 GW of new solar by 2035 and over 11.5 GW by 2039 which are mapped to numerous locations in the Central Valley. Furthermore, the CAISO is currently conducting its second 20-year transmission outlook to assess the potential high-level transmission needs of a resource portfolio for 2045. That portfolio developed in collaboration with CEC and CPUC includes nearly 29 GW of solar mapped to the Central Valley for CAISO to assess its potential transmission needs.
- *Beyond IRP Modelling.* Evaluating an additional 30 GW of solar generation may be in essence doubling the amount of total solar in the current TPP. Such a substantial amount of a specific resource in a specific location, beyond what IRP has modelled to be seemingly feasible, may in turn require CAISO to identify significantly larger upgrades or plan for the buildup of new transmission. This could lead to additional transmission costs that will likely be absorbed by ratepayers.

However, the CPUC's IRP work is not exclusive to one scenario. Rather, they often study both a base scenario and a number of policy-driven sensitivity scenarios which are used for informational purposes.<sup>27</sup> For instance, in 2021, the CPUC provided a sensitivity portfolio for offshore wind to better inform the transmission process for 2021-2022. Given the unprecedented scale of the solar capacity required to be evaluated in the IRP by this bill, a level that would likely spike the outcome of the IRP model, it may be prudent to treat the designated solar as a sensitivity similar to what the CPUC has done for offshore wind. *As such, the committee recommends clarifying that as part of the IRP cycle after January 1, 2025, the CPUC shall perform a sensitivity analysis that evaluates the potential for 10,000 to 30,000 megawatts of solar electrical generation located in the Central Valley.*

- *Definitions.* This bill defines zero-emission electricity" as electricity generated by a hydroelectric generation facility, regardless of the capacity of the generation facility, or electricity from a renewable electrical generation facility, as that term

---

<sup>27</sup> CAISO, "Transmission Capability Estimates for use in the CPUC's Resource Planning Process," July 28, 2023

is defined in Section 25741 of the Public Resources Code. However, Section 25741 of the Public Resources Code limits the definition of eligible hydroelectric generation to 30 megawatts or less. It's unclear why the definition of zero-emission electricity seeks to formally define a new category of hydroelectric energy. *As such, the committee recommends striking the zero-carbon definition as provided in this bill, and instead limit the resource procurement authority for Westlands Water Authority to solar and hydro.*

- *Narrow the Bill.* The author and supporters of this bill have primarily focused on the uniqueness of the Central Valley to support the development of solar electrical generation to the electrical grid and to facilitate the development of transmission capacity to help California reach its clean energy and climate goals. Yet the bill is written broadly, to capture all water districts throughout the state. Given the scant information the committee has received regarding the universe of water districts that may or may not utilize this new authority and for what purpose, it may be prudent to limit eligibility in the bill; at least until more information could be brought forward to justify additional inclusion. *As such, for purposes of this bill, the committee recommends narrowing the definition of water district to mean Westlands Water District.*
- *Clarify.* The new authority given to water districts in this bill to own transmission facilities is not clearly articulated in relation to operational control of those transmission assets. Most transmission facilities in the state are under the operational control of the CAISO, and are subject to cost-of-service rate case filings at FERC and the CAISO's Transmission Access Charge. It is unclear if such a relationship is contemplated for these asset, even though the bill is seeking a TPP justification for the circuits. *To clarify, the committee recommends that the new transmission facilities shall be subject to the control of a California balancing authority.*

4) *Double referral.* This bill is double-referred; upon passage in this Committee, this bill will be referred to the Assembly Committee on Natural Resources.

## REGISTERED SUPPORT / OPPOSITION:

### Support

Agricultural Council of California  
 Agricultural Energy Consumers Association  
 Almond Alliance  
 Avenal; City of  
 CA Cotton Ginners & Growers Association  
 California Avocado Commission  
 California Citrus Mutual  
 California State Association of Electrical Workers  
 California Walnut Commission  
 Carter, Wetch & Associates  
 Coalition of California Utility Employees



Coalinga; City of  
Coalition of California Utility Employees  
Golden State Clean Energy LLC  
Harris Farms INC  
Regenerate California Innovation, INC  
Self Help Enterprises  
Self-help Enterprises  
Western Agricultural Processors Association  
Western Growers Association  
Westlands Water District

**Opposition**

California Wind Energy Association

**Analysis Prepared by:** Lina V. Malova / U. & E. / (916) 319-2083



AB 2661, Soria. Electricity: Westlands Water District. The California Water District Law provides for the establishment of water districts and authorizes a district to construct, maintain, and operate plants for the generation of hydroelectric energy and transmission lines for the conveyance of the hydroelectric energy. Existing law merged the former West Plains Water Storage District into the Westlands Water District, and provides for the operation of the Westlands Water District. This bill would authorize the Westlands Water District to provide, generate, and deliver solar photovoltaic electricity and to construct, operate, and maintain works, facilities, improvements, and property necessary or convenient for generating and delivering that electricity. The bill would require the district to use the electricity for the district's own purposes, and the bill would authorize the district to sell surplus electricity to a public or private entity engaged in the distribution or sale of electricity. The bill would also authorize the district to construct, operate, and maintain energy storage systems and electric transmission lines, and to construct, operate, and maintain works, facilities, improvements, and property necessary or convenient for the operation of the energy storage systems and electric transmission lines, within the boundaries of the district, as specified. The bill would require the district to report the amount of income, and the purposes for expenditure of that income, from electricity facilities constructed pursuant to these provisions in a specified report. The bill would require the district to establish a community benefits agreement plan for a specified electrical infrastructure development plan and related transmission and other electrical projects, as provided. This bill would make legislative findings and declarations as to the necessity of a special statute for the Westlands Water District.

## Actions (31)

### On September 25, 2024 in the Assembly:

- Approved by the Governor.
- Chaptered by Secretary of State - Chapter 573, Statutes of 2024.

### On September 13, 2024 in the Assembly:

- Enrolled and presented to the Governor at 4 p.m.

### On August 31, 2024 in the Assembly:

- In Assembly. Concurrence in Senate amendments pending.
- Senate amendments concurred in. To Engrossing and Enrolling. (Ayes 76. Noes 0.).

### On August 30, 2024 in the Senate:

- Read third time. Passed. Ordered to the Assembly. (Ayes 38. Noes 0.).

### On August 26, 2024 in the Senate:



- 
- Read third time and amended. Ordered to second reading.

**On July 3, 2024 in the Senate:**

- Read second time. Ordered to third reading.

**On July 2, 2024 in the Senate:**

- From committee: Do pass. (Ayes 18. Noes 0.) (July 2).

**On June 11, 2024 in the Senate:**

- From committee: Do pass and re-refer to Com. on E., U. & C. (Ayes 7. Noes 0.) (June 11). Re-referred to Com. on E., U. & C.

**On June 5, 2024 in the Senate:**

- Referred to Coms. on L. GOV. and E., U. & C.

**On May 24, 2024 in the Senate:**

- In Senate. Read first time. To Com. on RLS. for assignment.

**On May 23, 2024 in the Assembly:**

- Read third time. Passed. Ordered to the Senate. (Ayes 73. Noes 0. Page 5606.)

**On May 20, 2024 in the Assembly:**

- Read second time. Ordered to third reading.

**On May 16, 2024 in the Assembly:**

- Assembly Rule 63 suspended.
- From committee: Amend, and do pass as amended. (Ayes 11. Noes 0.) (May 16).
- Read second time and amended. Ordered returned to second reading.

**On May 8, 2024 in the Assembly:**

- In committee: Set, first hearing. Referred to APPR. suspense file.

**On April 25, 2024 in the Assembly:**

- Re-referred to Com. on APPR.

**On April 24, 2024 in the Assembly:**

- Read second time and amended.

**On April 23, 2024 in the Assembly:**



---

#### On April 18, 2024 in the Assembly:

- From committee: Do pass and re-refer to Com. on NAT. RES. (Ayes 16. Noes 0.) (April 17). Re-referred to Com. on NAT. RES.

#### On April 15, 2024 in the Assembly:

- Assembly Rule 56 suspended. (Page 4775.)
- (Pending re-refer to Com. on NAT. RES.)

#### On April 1, 2024 in the Assembly:

- Re-referred to Com. on U. & E.

#### On March 28, 2024 in the Assembly:

- In committee: Set, first hearing. Hearing canceled at the request of author.

#### On March 21, 2024 in the Assembly:

- Referred to Coms. on U. & E. and NAT. RES.
- From committee chair, with author's amendments: Amend, and re-refer to Com. on U. & E. Read second time and amended.

#### On February 15, 2024 in the Assembly:

- From printer. May be heard in committee March 16.

#### On February 14, 2024 in the Assembly:

- Read first time. To print.

## Analyses (7)

---

[Assembly Committee On Utilities And Energy](#)

[Assembly Natural Resources](#)

[Assembly Appropriations](#)

[Assembly Floor Analysis](#)

[Senate Local Government](#)

[Senate Energy, Utilities And Communications](#)

[Senate Floor Analyses](#)



---

**August 31, 2024:** AB 2661 Soria Concurrence in Senate Amendments

- Yeas: 76
- Present/NV: 3

**August 30, 2024:** Assembly 3rd Reading AB2661 Soria By Hurtado

- Yeas: 40

**July 2, 2024:** Do pass

- Yeas: 18

**June 11, 2024:** Do pass, but first be re-referred to the Committee on [Energy, Utilities and Communications]

- Yeas: 7

**May 23, 2024:** AB 2661 Soria Assembly Third Reading

- Yeas: 73
- Present/NV: 7

**May 16, 2024:** Do pass as amended.

- Yeas: 11
- Present/NV: 4

**April 22, 2024:** Do pass as amended and be re-referred to the Committee on [Appropriations]

- Yeas: 11

**April 17, 2024:** Do pass and be re-referred to the Committee on [Natural Resources]

- Yeas: 16

## Sponsor

---

**CA - Assemblymember Esmeralda Soria (D)**

Type: Primary Sponsor

BILL ANALYSIS

SENATE RULES COMMITTEE	AB 2661
Office of Senate Floor Analyses	
1020 N Street, Suite 524	
(916) 651-1520 Fax: (916)	
327-4478	

THIRD READING

Bill No: AB 2661  
Author: Bradford (D)  
Amended: 4/30/14 in Assembly  
Vote: 27

SENATE ELECTIONS & CONST. AMEND. COMM. : 4-0, 6/17/14  
AYES: Padilla, Hancock, Jackson, Pavley  
NO VOTE RECORDED: Anderson

SENATE APPROPRIATIONS COMMITTEE : 5-0, 8/14/14  
AYES: De León, Hill, Lara, Padilla, Steinberg  
NO VOTE RECORDED: Walters, Gaines

ASSEMBLY FLOOR : 78-0, 5/15/14 (Consent) - See last page for vote

SUBJECT : Political Reform Act of 1974: conflicts of interest: Energy Commission

SOURCE : Author

DIGEST : This bill moves the conflict of interest provisions related to the California Energy Commission (CEC), from the Public Resources Code (PRC) into the Political Reform Act (PRA). This bill also revises the limitations on appointments to the CEC if the appointee received income from a load serving entity in the two years prior to his/her appointment.

ANALYSIS :

CONTINUED

AB 2661  
Page

2

Existing law:

- 1.Establishes the CEC and prescribes certain qualifications for its members, including a prohibition against receiving a substantial portion of income from specified energy-related entities in the two years preceding appointment to the CEC.
- 2.Prohibits members of the CEC from being employed by an electric utility or applicant or, within two years after the member ceases to be a member of the CEC, a person who engages in the sale or manufacture of a major component of a facility.
- 3.Prohibits a member of the CEC from holding any other elected or appointed public office or position, except as specified.
- 4.Prohibits persons with specified relationships to a member or employee of the CEC from appearing in proceedings and other matters in which the CEC is a party or has a direct and substantial interest.

This bill:

- 1.Moves the conflict of interest provisions related to the CEC from the PRC into the PRA. This bill also revises the limitations on appointments to the CEC if the appointee received income from a load serving entity in the two years prior to his/her appointment.
- 2.Moves the following conflict of interest provisions that are applicable to the CEC from the PRC to the PRA, and gives the Fair Political Practices Commission (FPPC), instead of the Attorney General, the authority to waive these provisions if the interest is not sufficiently substantial to affect the

integrity of services that the state may expect:

- A. Prohibits a person from being a member of the CEC if, during the two years prior to appointment to the CEC, the person received any substantial portion of his/her income directly or indirectly from any electric utility or engages in the sale or manufacture of any major component of any facility;
- B. Prohibits members of the CEC from holding any other

CONTINUED

AB 2661  
Page

3

elected or appointed public office or position; and

- C. Prohibits members and employees of the CEC from maintaining specified relationships with any person who acts as an attorney, agent, or employee for a person, other than the state, in connection with a matter in which the CEC is a party or has a direct and substantial interest.
1. Expands the prohibition described in (1)(A) above, by additionally prohibiting the appointment of an individual who received a substantial portion of his/her income directly or indirectly from any load serving entity, as defined, or from any person who has received a substantial portion of his/her income, directly or indirectly, from either generating, transmitting, or distributing electricity in the state, or the sale or manufacture of any major component of a facility located in the state.
  2. Repeals the prohibition on a member or employee participating personally and substantially in his/her official capacity in a proceeding in which any of the following has a direct or indirect financial interest:
    - A. The member or employee;
    - B. The member or employee's spouse or minor child;
    - C. The member or employee's partner; or
    - D. An organization for which the following are true:
      - (1) The organization is not a governmental organization or an educational or research institution that qualifies as a nonprofit organization; and
      - (2) The member or employee is serving or has served as an officer, director, trustee, partner, or employee while serving as a member or employee of the CEC or, for members of the CEC, during the two year period prior to the member's appointment.
1. Defines the following terms:
    - A. "Facility" as the structure or equipment necessary for

CONTINUED

AB 2661  
Page

4

generating, transmitting, or distributing electricity, including electric transmission lines and thermal, wind, hydroelectric, and photovoltaic plants;

- B. "Load serving entity" means an electrical corporation, electric service provider, community choice aggregator, or a person who has received a substantial portion of his or her income, directly or indirectly, from selling or providing electricity to end users located in the state; and
  - C. "Major component" to mean any product or equipment integral to facility construction or operation or to electrical generation, transmission, or distribution.
1. Provides that the term "income," for the purposes of the conflict of interest provisions that are specific to the CEC, includes the following payments that are not otherwise considered income for the purposes of the PRA: salary and reimbursement for expenses or per diem; social security, disability, or other similar benefit payments received from a state, local, or federal government agency; and, reimbursement

for travel expenses and per diem received from a nonprofit entity exempt from taxation, as specified.

Background

The CEC . The CEC was created by the legislature in 1974 as the state's primary energy policy and planning agency. The CEC's responsibilities include: forecasting future energy needs; setting appliance and building efficiency standards; supporting energy research; developing renewable energy resources and alternative renewable energy technologies for buildings, industry and transportation; licensing thermal power plants 50 megawatts or larger; and planning for and directing state response to energy emergencies. The CEC, collaboratively with the PUC, is also tasked with implementing the state's Renewables Portfolio Standard, which requires investor-owned utilities and retail sellers of electricity, as specified, to achieve a 33% renewable energy portfolio by 2020 and establishes a detailed process and standards for renewable energy procurement.

When the CEC was created with specific conflict of interest requirements, the FPPC did not yet exist, and the state did not

CONTINUED

AB 2661

Page

5

have the conflict of interest rules that were enacted in the PRA. The PRC was voted into law through Proposition 9 in June 1974, just weeks after the CEC was created. In addition to its own conflict of interest rules, the conflict of interest provisions in the PRA apply generally to all public officials and public agencies, including the CEC.

FISCAL EFFECT : Appropriation: No Fiscal Com.: Yes  
Local: Yes

According to the Senate Appropriations Committee:

One-time costs of approximately \$57,000 to the FPPC (General Fund).

The FPPC indicates the need for Attorney I position to promulgate regulations at a cost of \$57,189.

ASSEMBLY FLOOR : 78-0, 5/15/14

AYES: Achadjian, Alejo, Allen, Ammiano, Bigelow, Bloom, Bocanegra, Bonilla, Bonta, Bradford, Brown, Buchanan, Ian Calderon, Campos, Chau, Chávez, Chesbro, Conway, Cooley, Dababneh, Dahle, Daly, Dickinson, Donnelly, Eggman, Fong, Fox, Frazier, Beth Gaines, Garcia, Gatto, Gomez, Gonzalez, Gordon, Gorell, Gray, Grove, Hagman, Hall, Harkey, Roger Hernández, Holden, Jones, Jones-Sawyer, Levine, Linder, Logue, Lowenthal, Maienschein, Medina, Melendez, Mullin, Muratsuchi, Nazarian, Nestande, Olsen, Pan, Patterson, Perea, John A. Pérez, V. Manuel Pérez, Quirk, Quirk-Silva, Rendon, Ridley-Thomas, Rodriguez, Salas, Skinner, Stone, Ting, Wagner, Waldron, Weber, Wieckowski, Wilk, Williams, Yamada, Atkins

NO VOTE RECORDED: Mansoor, Vacancy

RM:e 8/15/14 Senate Floor Analyses

SUPPORT/OPPOSITION: NONE RECEIVED

\*\*\*\* END \*\*\*\*

CONTINUED



